

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version:	SB 40
Fiscal Note Number:	3
(S) Publish Date:	1/25/2017

Identifier: DOLWD-SIF-12-23-16
Title: OMNIBUS WORKERS' COMPENSATION
Sponsor: RLS BY REQUEST OF THE GOVERNOR
Requester: Governor

Department: Department of Labor and Workforce Development
Appropriation: Workers' Compensation
Allocation: Second Injury Fund
OMB Component Number: 2342

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below.

(Thousands of Dollars)

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits			(400.0)	(800.0)	(1,200.0)	(1,600.0)	(2,000.0)
Miscellaneous							
Total Operating	0.0	0.0	(400.0)	(800.0)	(1,200.0)	(1,600.0)	(2,000.0)

Fund Source (Operating Only)

1031 Sec Injury (DGF)			(400.0)	(800.0)	(1,200.0)	(1,600.0)	(2,000.0)
Total	0.0	0.0	(400.0)	(800.0)	(1,200.0)	(1,600.0)	(2,000.0)

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1031 Sec Injury (DGF)			(400.0)	(800.0)	(1,200.0)	(1,600.0)	(2,000.0)
Total	0.0	0.0	(400.0)	(800.0)	(1,200.0)	(1,600.0)	(2,000.0)

Estimated SUPPLEMENTAL (FY2017) cost: 0.0 (separate supplemental appropriation required)
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2018) cost: 0.0 (separate capital appropriation required)
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
If yes, by what date are the regulations to be adopted, amended or repealed?

Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: Marie Marx, Director
Division: Workers' Compensation
Approved By: Heidi Drygas, Commissioner
Agency: Department of Labor and Workforce Development

Phone: (907)465-6060
Date: 12/23/2016 02:30 PM
Date: 12/23/16

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

Analysis

This legislation will sunset the Second Injury Fund (Fund). Future claim payments will only be made on those claims accepted by July 1, 2018. The Fund's liability will contract over time and assessment rates will gradually be reduced until claim liability is exhausted. However, there will be no reduction of the staffing required to process these claim payments in the near future because it could take decades for the Fund to pay its ongoing claim obligation.

95% of claims are categorized as permanent total disability (PTD) benefits. PTD benefits are paid until disability ends or until death. The reduced Fund liability reflected in this fiscal note assumes the average age of the claimant at closure would be about 80 years old and 2 to 3 cases would be closed per year due to the death of the claimant.